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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-570-082]**

**Certain Steel Wheels from the People's Republic of China: Final Determination of Sales at Less-Than-Fair-Value**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that imports of certain steel wheels (steel wheels) from the People's Republic of China (China) are being, or are likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act) during the period of investigation (POI), July 1, 2017, through December 31, 2017.

**DATES:** Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**FOR FURTHER INFORMATION CONTACT:** Lingjun Wang, AD/CVD Operations, Office VII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-2316.

**SUPPLEMENTARY INFORMATION:**

## Background

On October 30, 2018, Commerce published in the *Federal Register* the preliminary affirmative determination of sales at LTFV of steel wheels from China.<sup>1</sup> A summary of the events that occurred since Commerce published the *Preliminary Determination*, as well as a full discussion of the issues raised by the parties for this final determination, may be found in the Issues and Decision Memorandum.<sup>2</sup>

The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and ACCESS is available to all parties in the Central Records Unit, Room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>. The signed and electronic versions of the Issues and Decision Memorandum are identical in content.

## Period of Investigation

The POI is July 1, 2017, through December 31, 2017.

## Scope Comments

In accordance with the preamble to Commerce's regulations,<sup>3</sup> the *Initiation Notice* set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope), and states that "if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact Commerce and request

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<sup>1</sup> See *Certain Steel Wheels from the People's Republic of China: Preliminary Determination of Sales at Less-Than-Fair-Value*, 83 FR 54568 (October 30, 2018) (*Preliminary Determination*) and accompanying Preliminary Decision Memorandum.

<sup>2</sup> See Memorandum, "Issues and Decision Memorandum for the Final Determination of Sales at Less-Than-Fair-Value Investigation of Certain Steel Wheels from the People's Republic of China," dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

<sup>3</sup> See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

permission to submit the additional information.”<sup>4</sup> No issue was raised regarding the scope as it appeared in the *Initiation Notice* during the period provided for scope comments. On December 11, 2018, the petitioners<sup>5</sup> requested that Commerce permit them to submit additional factual information for the final scope determination to ensure any orders resulting from this investigation would effectively provide relief from unfairly-traded imports.<sup>6</sup> In response, Commerce provided the petitioners an opportunity to submit new factual information and comments relating to the scope. Commerce also provided interested parties an opportunity to submit comments and factual information intended to rebut, clarify or correct the petitioners’ new factual information.<sup>7</sup> On December 19, 2018, the petitioners submitted comments on the scope of the investigation.<sup>8</sup> On February 4, 2019, Sunrise<sup>9</sup> and Zhejiang Jingu Company Limited (Zhejiang Jingu) each submitted rebuttal comments pertaining to the petitioners’ scope comments.<sup>10</sup> After considering comments and supporting factual information, Commerce is modifying the scope language as it appeared in the *Initiation Notice*. For further discussion, *see* Issues and Decision Memorandum.

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<sup>4</sup> See *Certain Steel Wheels from the People’s Republic of China: Initiation of Less-Than-Fair-Value Investigation*, 83 FR 17798 (April 24, 2018) (*Initiation Notice*).

<sup>5</sup> The petitioners are Accuride Corporation and Maxon Wheels Akron LLC (collectively, the petitioners).

<sup>6</sup> See Petitioners’ Letter, “Certain Steel Wheels from China (A-570-082) – Petitioners’ Request to Submit Additional Factual Information Relevant to Scope,” dated December 11, 2018.

<sup>7</sup> See Memorandum, “Certain Steel Wheels from the People’s Republic of China: Opportunity to Submit Factual Information and Comments Pertaining to the Scope of Investigations,” dated December 14, 2018.

<sup>8</sup> See Petitioners’ Letter, “Certain Steel Wheels from the People’s Republic of China (A-570-082, C-570-083) – Petitioners’ Request for Clarification of the Scope of the Investigations and Submission of Additional Factual Information Relevant to Scope,” dated December 19, 2018 (Petitioners’ Scope Comments).

<sup>9</sup> Xiamen Sunrise Wheel Group Co., Ltd. (“Xiamen Sunrise”), Xiamen Sunrise Wheel Co., Ltd. (“Sunrise Wheel”), Xiamen Sunrise Metal Co., Ltd. (“Sunrise Metal”), Sichuan Sunrise Metal Industry Co., Ltd. (“Sichuan Sunrise”), and Xiamen Topu Import & Export Co., Ltd. (“Topu”) (collectively, “Sunrise”).

<sup>10</sup> See Sunrise’s Letter, “Certain Steel Wheels from the People’s Republic of China: Response to Petitioners’ Request for Clarification of the Scope of the Investigations and Submission of Additional Factual Information Relevant to Scope,” dated February 4, 2019 (Sunrise’s Scope Rebuttal); *see also* Zhejiang Jingu’s Letter, “Antidumping and Countervailing Duty Investigations of Certain Steel Wheels from the People’s Republic of China: Response to Petitioners’ Request for Clarification of Scope of Investigations,” dated February 4, 2019 (Zhejiang Jingu’s Scope Rebuttal).

### Scope of the Investigation

The products covered by this investigation are steel wheels from China. For a complete description of the scope of this investigation, *see* Appendix I.

### Affirmative Determination of Critical Circumstances

We find that critical circumstances exist with regard to the China-wide entity pursuant to section 735(a)(3) of the Act. Specifically, we determine that there is a reasonable basis to believe or suspect that importers knew, or should have known, that the subject merchandise was being sold at less than fair value, and that those sales were likely to cause material injury in accordance with section 735(a)(3)(A)(ii) of the Act. Furthermore, we also find that there have been massive imports of the subject merchandise over a relatively short period pursuant to sections 735(a)(3)(B) and 776(a)-(b) of the Act. For further discussion, *see* the Issues and Decision Memorandum.

### Analysis of Comments Received

A list of issues which the petitioners raised in its case brief, as well as in the petitioners' scope comments,<sup>11</sup> along with Sunrise's and Zhejiang Jingu's rebuttal comments,<sup>12</sup> to which we responded in the Issues and Decision Memorandum, is attached to this notice at Appendix II.

### Final Determination

The final, estimated weighted-average dumping margin is as follows:

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<sup>11</sup> *See* Petitioners' Scope Comments.

<sup>12</sup> *See* Sunrise's Scope Rebuttal; *see also* Zhejiang Jingu's Scope Rebuttal.

<b>Producer</b>	<b>Exporter</b>	<b>Estimated Weighted-Average Dumping Margin (percent)</b>	<b>Estimated Weighted-Average Dumping Margin Adjusted for Subsidy Offset(s) (percent)</b>
China-Wide Entity	China-Wide Entity	231.70	231.08

#### Disclosure

Normally, Commerce discloses to interested parties the calculations performed in connection with its final determination within five days of its public announcement or, if there is no public announcement, within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). However, in this investigation, no individually examined companies participated in the investigation, and Commerce has applied total AFA to all producers and exporters, including the China-wide entity, in accordance with section 776 of the Act. The applied AFA rate continues to be based solely on the petition, and, therefore, there are no calculations to disclose to interested parties.

#### Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, we will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all imports of the merchandise, as described in Appendix I of this notice, that were entered or withdrawn from warehouse, for consumption on or after October 30, 2018, the date that the *Preliminary Determination* was published.

Section 735(c)(4) of the Act provides that, given an affirmative final determination of critical circumstances, any suspension of liquidation shall apply to unliquidated entries of subject merchandise entered, or withdrawn from warehouse, for consumption on or after August 1, 2018,

which is 90 days before the date on which the suspension of liquidation was first ordered. As discussed above and in more detail in the Issues and Decision Memorandum, Commerce finds that critical circumstances exist for imports of subject merchandise produced or exported by the China-wide entity. In accordance with section 733(c)(4) of the Act, the suspension of liquidation shall also apply to unliquidated entries of shipments of subject merchandise from the China-wide entity that were entered, or withdrawn from warehouse from August 1, 2018, up to October 30, 2018.

Further, pursuant to section 735(c)(1)(B)(ii) of the Act, Commerce will instruct CBP to collect a cash deposit as follows: (1) the rate for the exporters and producers listed in the chart above will be equal to the estimated weighted-average dumping margin that we have determined in this final determination; (2) for all Chinese exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be equal to the estimated weighted-average dumping margin for the China-wide entity; and (3) for all non-Chinese exporters of subject merchandise which have not received their own rate, the cash-deposit rate will be equal to the rate applicable to the Chinese exporter and producer combination that supplied that non-Chinese exporter. Commerce normally adjusts the estimated weighted-average dumping margin by the amount of export subsidies countervailed in a companion countervailing duty (CVD) proceeding when the CVD measures are in effect. Accordingly, where Commerce made an affirmative determination for countervailable subsidies that are export contingent,<sup>13</sup> Commerce has offset the estimated weighted-average dumping margin by the appropriate CVD rate(s). Any such adjusted

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<sup>13</sup> In the CVD final determination, based on AFA, we found the “Foreign Trade Development Fund Program Grants” program to be inconsistent with the Subsidies Agreement pursuant to section 705(a)(2)(A) of the Act. *See Certain Steel Wheels from the People’s Republic of China: Final Affirmative Countervailing Duty Determination and Affirmative Determination of Critical Circumstances, in Part*, and accompanying Issues and Decision Memorandum, dated concurrently with this AD final determination. The AFA rate applied to that program was 0.62 percent.

cash deposit rates may be found in the “Final Determination Margin” section, above. These suspension of liquidation instructions will remain in effect until further notice.

#### International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the U.S. International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination in this proceeding is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of subject merchandise no later than 45 days after this final determination. If the ITC determines that material injury, or threat of material injury, does not exist, the proceeding will be terminated, and all cash deposits will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

#### Notification Regarding Administrative Protective Orders

This notice will serve as the only reminder to parties subject to an administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials, or conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

Notification to Interested Parties

This determination is issued and published in accordance with sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Date: March 25, 2019.

**Gary Taverman,**

*Deputy Assistant Secretary*

*for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.*



## **Appendix I**

### **Scope of the Investigation**

The merchandise subject to the investigation is certain on-the-road steel wheels, discs, and rims for tubeless tires, with a nominal rim diameter of 22.5 inches and 24.5 inches, regardless of width. Certain on-the-road steel wheels with a nominal wheel diameter of 22.5 inches and 24.5 inches are generally for Class 6, 7, and 8 commercial vehicles (as classified by the Federal Highway Administration Gross Vehicle Weight Rating system), including tractors, semi-trailers, dump trucks, garbage trucks, concrete mixers, and buses, and are the current standard wheel diameters for such applications. The standard widths of certain on-the-road steel wheels are 7.5 inches, 8.25 inches, and 9.0 inches, but all certain on-the-road steel wheels, regardless of width, are covered by the scope. While 22.5 inches and 24.5 inches are standard wheel sizes used by Class 6, 7, and 8 commercial vehicles, the scope covers sizes that may be adopted in the future for Class 6, 7, and 8 commercial vehicles.

The scope includes certain on-the-road steel wheels with either a “hub-piloted” or “stud-piloted” mounting configuration, and includes rims and discs for such wheels, whether imported as an assembly or separately. The scope includes certain on-the-road steel wheels, discs, and rims, of carbon and/or alloy steel composition, whether cladded or not cladded, whether finished or not finished, and whether coated or uncoated. All on-the-road wheels sold in the United States are subject to the requirements of the National Highway Traffic Safety Administration and bear markings, such as the “DOT” symbol, indicating compliance with applicable motor vehicle standards. *See* 49 C.F.R. § 571.120. The scope includes certain on-the-road steel wheels imported with or without the required markings. Certain on-the-road steel wheels imported as an assembly with a tire mounted on the wheel and/or with a valve stem attached are included. However, if the certain on-the-road steel wheel is imported as an

assembly with a tire mounted on the wheel and/or with a valve stem attached, the certain on-the-road steel wheel is covered by the scope, but the tire and/or valve stem is not covered by the scope.

The scope includes rims and discs that have been further processed in a third country, including, but not limited to, the welding and painting of rims and discs from China to form a steel wheel, or any other processing that would not otherwise remove the merchandise from the scope of the proceeding if performed in China.

Excluded from the scope are:

- 1) steel wheels for tube-type tires that require a removable side ring;
- 2) aluminum wheels;
- 3) wheels where steel represents less than fifty percent of the product by weight; and
- 4) steel wheels that do not meet National Highway Traffic Safety Administration requirements, other than the rim marking requirements found in 49 C.F.R. § 571.120S5.2.

Imports of the subject merchandise are currently classified under the following Harmonized Tariff Schedule of the United States (HTSUS) subheadings: 8708.70.4530, 8708.70.4560, 8708.70.6030, 8708.70.6060, 8716.90.5045, and 8716.90.5059. Merchandise meeting the scope description may also enter under the following HTSUS subheadings: 4011.20.1015, 4011.20.5020, and 8708.99.4850. While HTSUS subheadings are provided for convenience and customs purposes, the written description of the subject merchandise is dispositive.

## **Appendix II**

### **List of Topics Discussed in the Issues and Decision Memorandum**

#### **I. SUMMARY**

#### **II. BACKGROUND**

#### **III. PERIOD OF INVESTIGATION**

#### **IV. SCOPE OF THE INVESTIGATION**

#### **V. USE OF FACTS OTHERWISE AVAILABLE AND ADVERSE INFERENCES**

#### **VI. AFFIRMATIVE DETERMINATION OF CRITICAL CIRCUMSTANCES**

#### **VII. DISCUSSION OF ISSUES**

Comment 1: Scope Clarification for Rims and Discs Processed in a Third Country

Comment 2: Critical Circumstances

Comment 3: Application of Adverse Facts Available

Comment 4: Separate Rate Status for CIMAC

#### **VIII. RECOMMENDATION**

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